

23 March 2005

**North American Leaders Discuss Regional Partnership
Bush, Fox, Martin cite cooperation on security, prosperity**

President Bush, Mexican President Vicente Fox and Canadian Prime Minister Paul Martin discussed the establishment of the Security and Prosperity Partnership for North America during a March 23 joint press conference.

In the press conference that followed March 23 trilateral meetings at Baylor University in Waco, Texas, Bush said that the North American leaders had a good discussion on the complementary goals of security and prosperity. He also explained the rationale for the establishment of the new partnership.

"It's important for us to work to make sure our countries are safe and secure, in order that our people can live in peace" and so that "our economies can grow," Bush said. "We've got a lot of trade with each other and we intend to keep it that way. We've got a lot of crossings of the border; I intend to make our borders more secure and facilitate legal traffic."

Bush acknowledged that the North American neighbors have a great deal of work ahead to achieve these ends.

For more information on the Security and Prosperity Partnership of North America, refer to the North American leaders' March 23 joint statement, available online.

In addition to launching the new partnership, Bush indicated that he and his North American counterparts would discuss the hemisphere more broadly and work together "to make sure that democracy is firmly a part of the future of this neighborhood of ours."

To enhance hemispheric prosperity, Bush said the nations of North America must look to extend trade ties throughout the region.

"The future of our three countries will be best served by establishing trade relations with the rest of the hemisphere," he said.

As the Western Hemisphere seeks to compete globally, particularly with emerging economies in the Far East, the creation of a Free Trade Area of the Americas (FTAA) remains a priority, Bush stressed. To advance this effort, he said, the nations of North America should serve as an example of the benefits of open markets and closer integration for their South American neighbors.

"In order to make sure that the Free Trade Area of the Americas has a chance to succeed, it is important to show the sovereign nations in South America that trade has worked amongst the three of us," he said.

An important step toward the vision of a Western Hemisphere united by common commitments to trade, democracy, transparency and the rule of law is the passage of the U.S.-Central America Free Trade Agreement (CAFTA), Bush argued. The president pointed out that he has called on the U.S. Congress to pass CAFTA in 2005.

Bush said that he pledged to Fox that he would also continue to push the U.S. Congress to consider a "reasonable, common-sense immigration policy" with Mexico. Such a policy, he said,

would be based on the premise that when there is a job opening that an American will not fill, the position should be filled on a legal basis regardless of where the worker comes from.

Among the other issues Bush addressed in the joint press conference is the necessity of the United States becoming less dependent on overseas energy.

Areas he suggested for North American cooperation in this area include developing greater access to liquefied natural gas, sharing technology to create zero-emission coal-fired factories, and developing hydrogen-powered automobiles.

Following is a transcript of the joint media availability:

(begin transcript)

THE WHITE HOUSE
Office of the Press Secretary
(Crawford, Texas)
March 23, 2005

JOINT PRESS CONFERENCE WITH PRESIDENT GEORGE W. BUSH, PRESIDENT VICENTE FOX OF MEXICO AND PRIME MINISTER PAUL MARTIN OF CANADA

Bill Daniels Activity Center
Baylor University
Waco, Texas

11:22 P.M. CST

PRESIDENT BUSH: Good morning. It's my honor to welcome two friends to Baylor University. First, I want to thank the Baylor University family for providing these facilities for us. Your hospitality is awesome.

I appreciate the meetings we just had. Our relationships are important today. We intend to keep our relationships strong. Our relationships will be equally important for the years to come.

And so we had a good discussion about prosperity and security. And it turns out the two go hand-in-hand. It's important for us to work to make sure our countries are safe and secure, in order that our people can live in peace, as well as our economies can grow. We've got a lot of trade with each other and we intend to keep it that way. We've got a lot of crossings of the border; I intend to make our borders more secure and facilitate legal traffic.

We've got a lot to do. So we charged our ministers with the task of figuring out how best to keep this relationship -- these relationships vibrant and strong. And I appreciate the commitment of the Prime Minister and the President toward a spirit of partnership to outlast whatever politics may occur; that puts in place a firm commitment to markets and democracy and freedom and trade and mutual prosperity and mutual security.

And so I want to welcome our friends. After we go through this exercise of democracy -- that being answering your questions -- I'm looking forward to hosting them to the ranch for a little lunch and a further discussion. We'll be spending time talking about the neighborhood, the countries in our region, and how best we can work together to make sure that democracy is firmly a part of the future of this neighborhood of ours.

And so, Mr. President, welcome. The podium is yours, sir.

PRESIDENT FOX: (As translated.) Thank you very much, President Bush. I want to also extend a greeting to Prime Minister Paul Martin, and my gratitude for this wonderful reception, for this wonderful facility here at Baylor University. And, of course, my gratitude to the authorities here in Waco, the venue of this important event.

Today, we have met to hold a very important encounter that has to do with the future of our nations. In the last decade, trade between our countries, the flows of investment of the creation of jobs have held a good pace. And these efforts have been successful thanks to NAFTA, this bilateral cooperation, this trilateral cooperation has now become strengthened and it has expanded. But, above all, we are making progress on a daily basis toward greater understanding, toward greater knowledge and greater cooperation between our three governments and our three countries.

Through the Partnership for Security and Prosperity and the quality of life of North America, today we begin a new phase. We are in a world that is constantly changing and that demands that we meet the new challenges and opportunities. We also face new threats that carry a risk for our societies. But we also want to work toward the good performance of our economies. This is why my government is working toward a true coordination with our partners in North America. We are seeking an objective balance between the concerns that have to do with security and those that have to do with having a good and agile flow of goods and people across the borders.

North America should be the most competitive region in the world. It should be the safest region in the world. And ten years ago, we took a great step in that direction. As a government, we are obligated to turn this objective into a permanent process, to continue taking steps forward. This Partnership for Security, this Partnership for Prosperity, for the quality of life can have no other objective, beyond improving the quality of life, itself, and the development of our peoples and of our societies.

Today, my friend from Canada, Mr. Paul Martin, and the President of the United States, George Bush, all of us feel proud to present this joint statement to you. It reflects a shared vision for North America that will be a framework for cooperation, for partnership between our governments and nations.

Thank you.

PRIME MINISTER MARTIN: Good afternoon. It's a real pleasure to be here in Texas and to stand with President Bush and President Fox as representatives of a strong North America. We represent three sovereign nations that have formed one of the most successful partnerships in the world.

That being said, we also recognize that we cannot be complacent. The world is not standing still; new economic powerhouses, such as China and India, are rising and we face new opportunities - - but we also face new challenges. And this requires a new partnership, stronger, more dynamic, one that is focused on the future. We are determined to forge the next generation of our continent's success. That's our destination.

The security and prosperity partnership that we are launching today is the road map to getting there.

I'm going to be a little longer than you were, President Bush, because I've got to do this in two languages. (Laughter.)

(As translated.) Here, in North America, we have many achievements to celebrate. But we do know that we cannot be complacent. The world does not stand still. New opportunities present themselves, as well as new challenges, as well as threats. In a world in constant change, we need a renewed partnership, more strong, dynamic. And we must have a road map that will bring

us there. The road map is the North American Partnership for Security and Prosperity, which we are starting today.

PRIME MINISTER MARTIN: -- ways to help our citizens with healthier, safer and more productive lives; for good jobs, for higher income; as well as a secure continent, cleaner water, cleaner air.

One thing is very clear, and that is when we work together as countries to make North America safer and more competitive, then the fact is all of the continent and all of our citizen's benefit from that collective achievement.

(As translated.) The partnership that we are starting today acknowledges the fact that in a modern world the objective of prosperity, security and a better quality of life have never been as inter-dependent.

PRIME MINISTER MARTIN: What we seek to do is to improve the competitiveness of our industries, expand consumer choice by cutting red tape. We want to eliminate regulations that are a nuisance, not a necessity. And we want to maintain the highest standards of health care and safety for our citizens. We want to pursue agreed approaches based on sound science that will help us avoid the risk of hidden protectionism and, some would advocate, in responding to BSE.

And I want to thank President Bush, I want to thank President Fox for the support that they have shown. We look forward to the day in the future when, notwithstanding all of the lobbying, all the legal challenges, all of North America is open to our safe and high quality beef.

In terms of security, we understand that protecting our borders is a crucial checkpoint on the road to our collective prosperity. Our safe borders secure our people not only against terrorism, but they make possible a speedy flow of goods, services and people and information among our three nations.

And standing on the shoulders of the Smart Borders Initiative, we are making new investments in security and in defense spending. Quite simply, Canada is a full and forceful partner in building a secure North America. We have -- we have agreed -- and I've got a long list here, Mr. President, which I'm going to forego, basically a long list of items that we have agreed that we will task our ministers to accomplish, and then we will hold them to account, as we will be held to account by our people.

Let me just say that this great -- that these measures involve everything from how do we deal with our borders, how do we deal with infectious diseases, and how do we deal with fresh water concerns, like Devil's Lake, which I will be talking to you about over lunch.

Let me just say that when a public health risk emerges, we want our laboratory centers in Winnipeg, in Atlanta, and in Mexico City talking to each other. We want to improve our air and our water quality, and we also want to make NAFTA work. And what that means -- and, again, this is something we'll be talking about -- is that we want the decisions of our dispute settlement panel to be respected and implemented. We want to resolve our differences in a fair manner based on the rule of law. And I'll continue to press for the resolution of soft wood lumber dispute, and I look forward to discussing means as to how we make this partnership work better.

Let me just say that we have committed as leaders to meet on a regular basis. We're going to do this to assess our progress.

(As translated.) The efforts deployed over the last decade have been fruitful. It is up to us now to meet the new challenges and to seize the new opportunities that present themselves to us.

PRIME MINISTER MARTIN: Mr. President, the efforts of the past decade have been successful, but as we said this morning, it now falls to us to respond to new challenges, to seize new opportunities. The security and prosperity partnership is our commitment to do so together.

PRESIDENT BUSH: Thank you, Paul. I appreciate that, very much.

We'll now answer two questions a side. I'll start with Jennifer Loven.

Q: Thank you, sir. Can you tell us what actions you support, since the federal courts continue to decline to allow the reinsertion of Terri Schiavo's feeding tube? And have you discussed options, next steps with your brother, the Governor of Florida?

PRESIDENT BUSH: I have not discussed next steps with the brother -- my brother, who is the Governor of Florida. I have looked at all options prior to taking the action we took last weekend, in concert with Congress. And we felt like the actions taken with Congress was the best course of action. This is an extraordinary and sad case, and I believe that in a case such as this, the legislative branch, the executive branch ought to err on the side of life, which we have.

And now we'll watch the courts make its decisions. But we looked at all options from the executive branch perspective.

Q: (As translated.) Mr. President Bush, many countries of Latin America in recent years have elected leaders from the left. What possibility do you see, as far as the arrival of a leader from the left, in Mexico in the future? And on security, how difficult is it for you to keep your national security policy in place when you have a border where terrorists can go through that border, according to your Cabinet? What do you think of those illegal crossings?

PRESIDENT BUSH: I am pleased that there are democracies in our hemisphere. As a matter of fact, every country is a democracy except one, Cuba. And that's incredible progress. And I look forward to working with whomever the people of Mexico choose. The choices as to who will lead Mexico, or any other country, is not the choice of the United States President, the United States government, or the United States people. It is the choice of the Mexican people.

And I know the people of Mexico are proud of their democracy. I'm proud of the democratic traditions upheld by Vicente Fox.

In terms of the border, listen, we've got a large border. We've got a large border with Canada, we've got a large border with Mexico. There are some million people a day crossing the border from Mexico to the United States, which presents a common issue, and that is, how do we make sure those crossing the border are not terrorists, or drug runners, or gun runners, or smugglers.

And I have told the President that we will -- I will continue to push for reasonable, common-sense immigration policy with the United States Congress. It is an issue with which I have got a lot of familiarity -- after all, I was the governor of this great state for six years and I dealt with this issue a lot, not only with President Fox's predecessors, but with governors of border states -- Mexican border states, Tamaulipas and Nuevo Leon. And I know what -- I know the issue well. And I will continue to call upon Congress to be commonsensical about this issue.

And the basis of the policy is that if there is a job opening which an American won't do, in other words -- and there's a willing worker and a willing employer, that job ought to be filled on a legal basis, no matter where the person comes from. That makes sense. We need a compassionate policy. In other words, if this is in place, someone will be able to come and work from Mexico in the United States, and be able to go home -- back and forth across the border in a legal fashion. That seems to make sense to me. It's a commonsensical way of doing things.

I think we ought to have a policy that does not jeopardize those who've stood in line trying to become legal citizens. We want to reward those who have been patient in the process. There's plenty of Mexican citizens who have applied for citizenship, they should -- their position in line should not be preempted because of there's a worker program. But there's a better way to enforce our border. And one way is to be compassionate and decent about the workers who are coming here to the United States.

And, Mr. President, you've got my pledge, I'll continue working on it. You don't have my pledge that Congress will act, because I'm not a member of the legislative branch. But you will have my pledge that I will continue to push our Congress to come up with rational, common-sense immigration policy.

PRIME MINISTER MARTIN: Tom Clark.

Q: Thank you, Prime Minister. A question to yourself, and to President Bush and President Fox, as well. You've been talking about cooperation, what you, Prime Minister, referred to as the new generation of success, or the next generation of success. Keeping in mind, in front of us, the European Union, how much is this partnership a first step towards continental integration? If so, how far would you like to go? And can you give us some sort of a road map, and perhaps give us a distinction between partnership and integration?

PRIME MINISTER MARTIN: Well, what we're really talking about here is not a big thing, we're talking about big progress. And if you look at each of the areas in which we have tasked our ministers, based on the work that they have already done, that is precisely what is coming out of this meeting and that's precisely why we want to be able to measure -- to measure the success and hold people accountable for the targets that we have set.

So when you're talking about security, there's no doubt about the importance of the security of our borders; given the increase in Canada's defense budget, our ability to work together, that obviously, we want to make sure that there is the greatest degree of coordination between our defense and our border sources.

In terms of the economy, getting rid of nuisance regulation, making sure that we have better rules of origin. Essentially, what we want to do is to make sure, given the threat that we face from rising economies elsewhere, but primarily in Asia -- both the threats and an opportunity, by the way -- that, in fact, North America is as strong and as competitive as it can possibly be. And there should be no restriction on that -- quality of life, the environment, how we work together -- so that essentially what we really want to do is to make very, very substantial progress and to make sure that we continue to do it, so that the forces of protectionism never take over North America and that we're as competitive as we can.

(As translated.) I just wanted to say that what we're trying to do is not a big bang, what we're truly seeking to do is major progress. And this is in the field of border security, for example, what we have done so far. We went even further and now the government of Canada is spending money on its borders and its defense. And we're going much further in terms of elimination of nuisance regulations so that Canada can be competitive in the United States as it is in Canada and Mexico, but also maintaining quality of life environment, working together. That's what we're seeking to do.

PRESIDENT FOX: (As translated.) Thank you. I feel that the purpose that we have discussed today is clear. This is an objective that has been coming on for several months now as a result of an intense dialogue. We are talking about a partnership -- that is the key word, partnership -- a partnership for security and a partnership for prosperity, a partnership that is based on human capital and that aims to improve the quality of life. This is the key element of this new task that we have laid out for ourselves. We have built upon NAFTA's achievements. It is widely -- the benefits of NAFTA are widely known, but now we find new challenges that demand that we take

new actions. These actions are defined in the program that is being launched through these precise instructions that we have given our ministers, our working groups, and their instructions are to carry out these ideas in the next 90 days.

So we are going to work through several approaches, and our purposes are based on three pillars of this proposal. The three pillars are security, to address any threat that might arise from abroad, address internal threats. We need to address also the inefficiencies in the movement of people, merchandise and goods. We must also look to join talent, strategy and resources to improve North America's competitiveness with other countries in other regions of the world. We need a level of competitiveness that allows us to reach the objectives that we have laid out for ourselves.

We need to reduce the costs of doing trade. We have a lot of trade between our three countries, and we feel that we can still bring down the costs of trade much more, and that will allow the trade between our countries to increase even more. We think that the biggest challenge of the 21st century will have to do with human capital, investing in our people, investing in technology, and that is another thing that we are going to work on.

Moreover, we are partners in protecting the environment. We are partners to protect our natural resources. We are partners to protect the health of our people. And we are partners, too, in the broadest sense of the word. So that is the road that we have before us. We have a time line and we have responsibilities to carry out and we will make sure that these things happen.

PRESIDENT BUSH: The future of our three countries will best be served by establishing trade relations with the rest of the hemisphere. It's kind of the most logical extension of a vision that recognizes that common trading areas are going to be needed in order to maintain lifestyle, particularly as the Far East begins to emerge as strong competitors for capital and goods and services and markets.

We started to advance this idea in Quebec City, as a matter of fact, the 2001 Free Trade Agreement of the Americas. To me, that's the most practical extension of the recognition of the realities that we're all going to be facing as the 21st century evolves. In order to make sure that the Free Trade Agreement of the Americas has a chance to succeed, it is important to show the sovereign nations in South America that trade has worked amongst the three of us. NAFTA has been a success. All you've got to do is go down to the border of our state. If you could have gone down ten years ago and gone down today, you would have seen a marked difference of quality of life on both sides of the border. I mean, it's been a very successful program in order to lift the standard of living in Mexico and the United States.

And I think when people see that we're willing to continue to work through issues -- Canada, the United States and Mexico -- it may make it more palatable for countries to recognize the benefits of trade. So that the vision that you asked about in your question as to what kind of union might there be, I see one based upon free trade, that would then entail commitment to markets and democracy, transparency, rule of law.

To this extent, we have entered into an agreement with the Central American nations, called CAFTA. I think -- I know it's an important part of the prosperity agenda throughout the hemisphere, and I asked Congress to make sure that they approve CAFTA this year.

Thank you. Caren.

Q: Secretary Rice has made clear that the United States is growing impatient with North Korea's refusal to come back to the six-way talks. And there has been talk that the United States has a June deadline. What consequences would there be if they don't come back to the talks? And, also, is China doing enough to keep the pressure on?

PRESIDENT BUSH: Thank you for bringing up Secretary Rice. She just got back from her trip Monday evening, and came down to Crawford yesterday to brief me on the trip. I'm grateful that she took time out of her schedule to come down and talk about, not only the discussions she had with China, but discussions she had with South Korea and Japan, the leaders of India and Pakistan, and she also went to Afghanistan, so she had an extensive trip and about a two-hour briefing I want you to know.

We didn't set deadlines. What we said is what we've said to North Korea, if you want to -- if you want the way forward, if you want to be accepted by the world, if you want not to be isolated, get rid of your weapons programs. And, fortunately, it's not just the United States of America saying that. China says that. As a matter of fact, it was here at Crawford that Jiang Zemin at the ranch said that the foreign policy goal of the Chinese is for there to be no nuclear weapons on the Korean Peninsula. And Hu Jintao made that clear to Secretary Rice that that is still the objective of the Chinese government, so we share an objective. We share a goal. The Japanese share that goal. The South Koreans share that goal. The Russians share that goal.

So we've got five nations saying the same thing to Korea -- North Korea. And we'll continue saying it to North Korea. And I'm a patient person, and so are a lot of people that are involved in this issue. But the leader of North Korea must understand that when we five nations speak, we mean what we say. And there is a way forward -- and I repeat for Kim Jong-il. And it's his choice to make. We've made our choice. China has made its choice. The other countries have made their choices. And for the sake of peace and tranquility and stability in the Far East, Kim Jong-il must listen.

And so I am pleased with the report I got from the Secretary. I am pleased today that Hu Jintao and the Chinese government expressed continued interest in this subject and understanding of the importance of the five of us working together to achieve the common objective that we have set out.

Q: (As translated.) Mr. Presidents and Mr. Prime Minister, I wanted to ask you what concrete actions do your governments want to lay out in order to make this partnership a reality as far as energy markets, which is a very critical issue for all of our countries -- energy markets? I also want to ask you in this security and prosperity partnership, when will you include the migratory, or immigration policy in this partnership?

And, President Bush, I wanted to ask you about your opinion about those people who are hunting migrant people along the border.

PRESIDENT BUSH: I'm against vigilantes in the United States of America. I'm for enforcing law in a rational way. That's why you got a Border Patrol, and they ought to be in charge of enforcing the border.

We talked about migration, of course -- we spent a lot of time talking about migration. We've got a big border with Canada, a big border with Mexico, and it's an important issue. But the issue on the borders is not just people, it's goods and services. And so the agreements we're talking about, the way to strengthen our relationships of course includes our border policy. And we'll continue to include border policy.

I forgot the other part of your three-part question. What's that -- you have something else you asked? I can't remember what it was. Oh, energy, yes.

Look, yes, we're using a lot of it and we need to conserve better in the United States. We're dependent on energy from overseas and we've got to become less dependent on energy from overseas. We appreciate the fact that Canada's tar sands are now becoming economical, and we're glad to be able to get the access toward a million barrels a day, headed toward two million barrels a day. And I want to thank -- and that's, by the way, an advantage for open trade; the

American people must understand that when there is open trade, it helps solve our energy deficiency.

But one thing we can certainly do is cooperate better on sharing technologies. Look, we're going to have to change our habits. We're going to have to develop a hydrogen-powered automobile. And we look forward to working together. We've got integrated automobile industries between the three of us. And someday, hopefully, our automobile industries in our respective countries will be on the leading edge of technological change when it comes to helping change the habits of our consumers.

We're going to need liquefied natural gas coming into our three countries and into our markets. And I look forward with the Presidents on how to develop more access to liquefied natural gas, which -- and there's a lot of natural gas in the world. The question is, how do we economically get it to our respective markets.

I recently went and saw those developing zero emission coal-fired plants. I think we spent about a billion dollars on what's called the FutureGen Project. Look forward to working with our respective countries on sharing technologies and how to move forward to come up with zero emissions coal-fired plants.

And so there's a lot we can do and will do on energy. But there's no question the United States of America is hooked on foreign sources of energy. And I put forth a strategy to the United States Congress in 2001; they're still debating it, the issue. Now is the time to get a bill to my desk; this is the year. People see the prices of their gasoline rising at the pumps, and I am concerned and the American people are concerned, and it's now time to implement the strategies that we laid out in law.

But, no, this is a very important subject matter. Thank you for bringing it up. We spent a lot of time discussing it.

PRESIDENT FOX: (As translated.) As far as concrete actions, the first concrete actions are those that have to do with all of the topics addressed by this Partnership for Security and Prosperity and quality of life. And the first concrete actions are going to be a specific charge of 90 days to present detailed ideas at 12 different working groups, working tables that have to do with the general ideas that we are laying out here.

Another concrete action that we have agreed to is that the three Presidents feel that about halfway through this 90-day period of time, we need to be able to assess the direction, the pace and the degree to which these issues are becoming a reality towards the end of those 90 days. We want to be sure to have that final report be complete with all of the detail necessary, with all of the vision necessary that the Presidents have laid out.

Concrete actions in this sense also have to do with a sector-by-sector analysis so that from these analyses, we can create a strategy, sector-by-sector, perhaps third-generation strategies that go beyond anything we've done before to make the economies work well, jointly. Also concrete actions as far as security along the borders. And especially in our territories. Specifically in Mexico we want to ensure peace and tranquility for our society, we want to provide guarantee to our people that our security plans are working in every sense. Mexico has a very ambitious security package that starts with our southern border, with our brothers, friends, neighbors and partners in Central America, where we also want to address the issue of security because, in the end, this has repercussions throughout North America.

Concrete action will be taken as far as quality of life issues -- health, education. I repeat, we are going to write these down, write these objectives down in black and white and carry out, then, have this plan well configured and consolidated within the next 90 days, to make sure that it is feasible, because all of us have a sense of urgency. We want to make North America into the

most competitive region in the world, and we can do it with actions in the fields of energy, education, technology, security and through protecting our natural resources. This should serve to give us a level of competitiveness that we seek.

In effect, we discussed immigration. We discussed it as a trilateral issue. We discussed the issue of border crossings and how we can protect our borders and be efficient along the border, and also how we can keep people from crossing who shouldn't be crossing, and address the threats that our nations have faced. So this is something that we also look at jointly. And in the end, this also has to do with competitiveness. And it also has to do with reaching the objectives that we have for security and quality of life.

PRIME MINISTER MARTIN: In terms of energy as -- we all know of the tremendous capacity that exists within Mexico. President Bush has referred to the tar sands, which are a great, great opportunity. And in fact, the whole energy sector, I think, for all of us is a huge, huge opportunity in terms of our competitiveness with the rest of the world. But in addition to the tar sands, you've got our conventional sources. You've got the Beaufort, the Hull, the question of pipelines that eventually will be addressed.

But there are also other areas: renewables. The President talked about clean coal technology, as an example. Renewables are dependent upon technology. And we're putting a lot now into wind pump -- into wind power. There is in the province of Saskatchewan, a major project going on, in terms of CO2 sequestration, which essentially will be a major factor in fighting -- in the whole climate change issue, and tremendous opportunities for us using these new technologies.

But the other thing that I would like to highlight, as well, in addition to nuclear, is Canada has great potential in terms of hydro-electricity. Northern Manitoba, Quebec, Newfoundland and Labrador, to simply only give you a couple of examples. And what we've got to do -- especially looking at the failure of the electricity grid in North America a year ago, we've got to make sure that that grid is very, very sound. So the opportunities for cooperation are huge.

PRESIDENT BUSH: The final question, Paul.

PRIME MINISTER MARTIN: Anne Dawson.

Q: My question is both to President Bush and Prime Minister Martin. You've had some very sharp differences with Canada in the past, especially on issues like missile defense. Has this strained relations? And is the door still open for Canada to join missile defense in the future, something you call fundamental to the defense of North America?

PRIME MINISTER MARTIN: Our relationships are very, very strong, and in a wide range of areas, and the fact that the three of us are meeting here today, and that we have put out what is really quite an ambitious program that is going to be measurable, I think is an indication of that.

Are there differences of opinion? Of course, there have -- there have been throughout our history and there will be in the future. On BMD, the file is closed. But our cooperation, in terms of defense, in terms of our borders, in terms of the defense of our common frontiers, is very -- is not only very clear, but it is being accentuated. And I've got to take that one step further. The defense of North America is not only going to take place in North America. Canada is playing an increasing load [sic] as an example -- role -- in Afghanistan. And that's also part of the defense of North America.

So we're working together and we're going to continue to work together increasingly in the whole way in which we establish a common security, in which we protect it, and our defense.

(As translated.) With respect to the shield, this is an issue that is closed. But in terms of capacity to work together, this is something where we have provided major budgetary increases, because

we want to protect ourselves at home in Canada. We want to assume our responsibilities in North America at the border level, in the north, and with the oceans. But we must also say that Canada will accentuate its role in Afghanistan. That shows you to what extent the defense of North America is not only here in North America, but really that speaks of the necessity to bring the battle beyond our borders.

THE PRESIDENT: It's interesting -- "sharp differences." I guess that's -- "sharp" means kind of, if you think about what that means, that means maybe differences so that we can't have a positive relationship. I view them -- look, we've got differences. I don't know if you'd categorize them as differences that would then prevent us from finding common ground. I don't view it that way. I understand why people disagree with certain decisions I have made, but that doesn't prevent us from cooperating in intelligence-sharing, for example.

You know, a lot is made about softwood lumber, and it's clearly a sensitive issue. I know it firsthand. I've heard it ever since I became elected President. People are frustrated that we haven't got it solved. I understand that. But think about all the trade we've got between our countries, and we've resolved a lot of issues in a positive manner and we'll continue to resolve them. I mean, we had an issue with cows, and that is getting resolved. I'm amazed that we don't have more sharp -- whatever you call them -- disagreements -- because we're doing a lot together.

In other words, what I'm telling you is that I think the relationship is very strong and very positive. And just because somebody doesn't agree with our policy doesn't mean that we can't continue to have very positive relationships. The relationship with Mexico and the relationship with Canada are very important for the United States of America. And there's going to be disagreements and differences, and the fundamental question is, do we have the capacity to continue moving forward with the relationship, and the answer is, absolutely.

And I want to thank the leaders for coming. People of our respective countries will see how vital these relationships are. And I look forward to our ministers reporting back with concrete action -- they will be held to account, you're right, Mr. Prime Minister -- and look forward to saying to our respective peoples that -- and making clear that the relationship between America, Canada and Mexico is vital to our mutual prosperity, mutual health, and the benefit of our folks.

Thank you all for coming. Good to see you all.

END 12:05 P.M. CST

(end transcript)